GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Sri Bontha Subba Rao, S/o. Sambaiah, Prakasham District against the award passed in Dispute No. 03/2018, dated 30.08.2018 by the Deputy Registrar of Chits, Narasaraopet – Appeal Rejected as time barred – CRP No.1263/2019 filed by Sri Bontha Subba Rao – Hon'ble A.P.High Court Orders - Affidavit filed – Orders - Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 1427 Dated: 05-12-2019

Read the following:-

1. Appeal Petition filed by Sri Bontha Subba Rao, S/o.Sambaiah, Prakasham Dist. through counsel Sri V.Satya Prasad, Advocate, Bapatla.
2. Issued as Govt. Letter No. REV.01-REGSOACTS(CHIT)/12/2019 Reg.II, Dt.18.03.2019.
3. From the Hon'ble APHC final orders dated 26.7.2019 in C.R.P.No.1263/2019.
4. Affidavit filed by Sri Bontha Subba Rao dated 15.10.2019
5. Govt.Lr. No. REV.01-REGSOACTS (CHIT)/12/2019 Reg.II, Dated 19.11.2019.

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ORDER:-

Sri Bontha Subba Rao, S/o. Sambaiah, Prakasam District has filed an Appeal Petition under Section 70 of the Chit Fund Act, 1982 against the award in Dispute No.03/2018 dt.30.08.2018 passed by the Deputy Registrar of Chits, Narasaraopet.

2. Brief facts of the case is as follows:-

(i) The appellant herein has joined the Chit Fund Company as a subscriber in a Chit Group No.KCPL-T07 for a value of Rs.3,00,000/- which is payable at the rate of Rs.10,000/- per month for a period of 30 months and the appellant has participated in the chit auction held on 15.11.2015 and became successful bidder having agreed to forego an amount of Rs.98,400/- out of chit value of Rs.3,00,000/- and after declaring as successful bidder, the appellant submitted 2 to 4 as guarantors, who executed an agreement of guarantee and also executed demand promissory note and other necessary documents in favour of Respondent No.1 (Chit Fund Company) and the company has paid the prize amount. The appellant paid only 17 installments in full and part of 18th instalment and thereafter committed default in paying the 18th installment onwards. The 1st respondent filed a dispute application before the Deputy Registrar of Chits, Narasaraopet and the same was numbered as Dispute No.03/2018. The Deputy Registrar of Chits, Narasaraopet sent notices to 1-4 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits. Notices served on the respondents by registered post on 5.5.2018. The Deputy Registrar of Chits, Narasaraopet passed award in Dispute No.03/2018 dated 30.08.2018 in favour of the Respondent No.1 herein ordering that the company is entitled to recover a sum of Rs.1,37,774/- jointly and severally from opponents 1 to 4 together with interest at the rate of 18% per annum on the principal amount of Rs.1,21,140/- from 1.2.2018 (date of dispute) till the date of award and 12% p.a. from 10.8.2018 to till the date of realization and also Rs.6,016/- towards costs of the dispute.

(ii) Aggrieved by the above said award, the appellant filed an appeal, vide reference 1st read above.

3. In the reference 2nd read above, Government have rejected the appeal as time barred.

4. In the reference 3rd read above, the Hon'ble A.P.High Court in its orders dated 26.7.2019 in C.R.P. No.1263/2019 held that:

[P.T.O.]

"Having regard to the facts & submissions, the Civil Revision Petition is allowed and the order/letter impugned, whereby the 1st respondent informed the revision petitioner that the appeal is time barred, is set aside and the matter is remitted to the 1st respondent with the following directions:

(i) Within two weeks from the date of receipt of a copy of this order, the petitioner shall file an application for condonation of delay;

(ii) On the petitioner filing such an application, the 1st respondent shall afford an opportunity to the 3rd Respondent-Chit Fund Company to file its counter and dispose of the said application as expeditiously as possible and preferably within three weeks thereafter;

Before parting, it is to be noted that in this revision, as per the interim orders of this Court, the petitioner deposited Rs.40,000/- before the Registrar by way of Demand Draft drawn in favour of the Registrar (Judicial). Learned counsel appearing for the 3rd respondent seeks permission to withdraw the same without furnishing any security, stating that the award was passed a long time back. Learned counsel for the petitioner submits that no permission need be granted as it would be difficult for the petitioner to reclaim the amount in the event of the petitioner succeeding in the intended appeal.

Having given earnest consideration, this Court is of the considered view that permission can be granted. The 3rd respondent is permitted to withdraw the amount deposited by the petitioner before the Registrar (Judicial) of this Court by following the procedure established by law, subject to furnishing an undertaking that in the event of the success of the petitioner herein in the proposed appeal, the 3rd respondent/Chit Fund Company would redeposit the amount before the appropriate authority forthwith. It is made clear that the interim order staying the operation of the award shall continue till the disposal, as indicated supra, of the application for condonation of delay that may be filed by the petitioner and till the disposal of the appeal in the event the said application stands allowed.

The 1st respondent in the above C.R.P. is Government.

5. In the reference 4th read above, the appellant/petitioner herein has filed affidavit duly submitting a copy of the Hon'ble A.P.High Court orders dated 26.7.2019 in C.R.P. No.1263/2019 and requested to condone the delay in filing the appeal in the light of the Hon'ble High Court orders dated 26.7.2019 in C.R.P.No. 1263/2019 pending disposal of the above appeal.

6. In the reference 5th read above, the Government posted the case for hearing on 04.12.2019 at 11.00 A.M.

7. The counsel for the appellant and the counsel for the respondent have attended the hearing on 04.12.2019.

8. Government after careful examination of the material available on record and in pursuance of the orders of the Hon'ble High Court of A.P. allowed the appeal partly and the order passed by the Deputy Registrar of Chits, Narasaraopet is hereby modified. The appellant herein who is the Opponent No.1 and his guarantors who are the other opponents in Dispute No.03/2018 on the file of Deputy Registrar of Chits, Narasaraopet are hereby directed to pay the Award amount of Rs.1,21,140/- duly reducing the interest @ 12% per annum from the date of filing of the dispute i.e., 1.2.2018 along with costs of the dispute @ Rs.6,016/- jointly and severally within 3 months i.e., by 05.03.2020. The amounts already paid if any, shall be deducted in the said amount. In default, the Respondent No.1 (Chit Fund Company) who is the disputant in Dispute No.03/2018 is at liberty to proceed as per Chit Fund Act, 1982 to recover the award amount as decreed by Deputy Registrar of Chits, Narasaraopet in Dispute No.03/2018 after 05.03.2020 from the opponents.

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9. In exercise of the powers conferred under Section 70 of the Chit Fund Act, 1982, the Government is hereby allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To

1. The Dy. Registrar of Chits, Narsaraopet, Guntur Dist.
2. M/s.Sree Kalpataruvu Chits (India) Pvt., Ltd., Chilakaluripet, Guntur Dist., through the Dy. Registrar of Chits, Narasaraopet.
3. Sri Bontha Subba Rao, S/o. Sambaiah, Panchayat Secretary, Vedullapalli Gram Panchayat, Bapatla, Guntur Dist., through the Dy. Registrar of Chits, Narsaraopet, Guntur Dist.
4. Sri Tadikonda Veeranjaneyulu, S/o. Koteswara Rao, R/o. D.No. 32-B2, Srungarapuram Post, Bapatla (M), Guntur dist., through the Dy. Registrar of Chits, Narsaraopet Branch, Guntur District.
5. Sri Gandham Sarath Babu, S/o. Bramhanandam, R/o. D.No. 1-1-15(1), 1st Ward, Bapatla, Guntur Dist., working as AEO, Post Harvest Technology, Bapatla, Guntur Dist., through the Dy. Registrar of Chits, Narsaraopet Branch, Guntur District.
6. Sri Guruvindapalli Vijandra Babu S/o. Ismail, R/o. H.No. 4-8-18/D4, Akbar Pet, Near Ambedkar Bhavan, Bapatla, Guntur Dist., working as Asst. Para Medical Officer, Cherukuru PHC, Parchur (M), Prakasham Dist., through the Dy. Registrar of Chits, Narsaraopet Branch, Guntur District.
7. Sri P.Srinivasa Rao (4967) , Advocate through the Dy. Registrar of Chits, Tenali, Guntur Dist.
8. The C&IG, R&S & Registrar of Chits, AP, Vijayawada.
9. The PS to Spl.C.S. to Govt., Revenue (Regn) Dept.
10. SF/SC.

//FORWARDED:BYORDER//

SECTION OFFICER